AKKAMAHADEVI WOMEN'S UNIVERSITY, VIJAYAPUR

DEPARTMENT OF PG STUDIES & RESEARCH IN MANAGEMENT

"An analysis of Consumer buying habits in select FMCG with special reference to Vijayapura District."

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INTRODUCTION OF THE STUDY

Fast Moving Consumer Goods

The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US$ 13.1 billion. It has a strong MNC presence and is characterized by a well established distribution network, intense competition between the organized and unorganized segments and low operational cost. Availability of key raw materials, cheaper labor costs and presence across the entire value chain gives India a competitive advantage. The FMCG market is set to treble from US$ 11.6 billion in 2003 to US$ 33.4 billion in 2015. Penetration level as well as per capita consumption in most product categories like jams, toothpaste, skin care, hair wash etc in India is low indicating the untapped market potential. Burgeoning Indian population, particularly the middle class and the rural segments, presents an opportunity to makers of branded products to convert consumers to branded products. Growth is also likely to come from consumer 'upgrading' in the matured product categories. With 200 million people expected to shift to processed and packaged food by 2010, India needs around US$ 28 billion of investment in the food-processing industry. Products belonging to the FMCG segment generally have the following characteristics: They are used at least once a month, they are used directly by the end-consumer, they are non-durable, they are sold in packaged form, they are branded.

Industry Segment

The Indian FMCG industry grew by 16% in CY21 a 9- year high, despite nationwide lockdowns, supported by consumption-led growth and value expansion from higher product prices, particularly for staples.

Industry Segments

The main segments of the FMCG sector are: Personal Care: oral care; hair care; skin care; personal wash (soaps); cosmetics and toiletries; deodorants; perfumes; paper products (tissues, diapers, sanitary); shoe care. Household Care: fabric wash (laundry soaps and synthetic detergents); household cleaners (dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellants, metal polish and furniture polish). Branded and Packaged Food and Beverages: health beverages; soft drinks; staples/cereals; bakery products (biscuits, bread, cakes); snack food; chocolates; ice cream; tea; coffee; processed fruits, vegetables and meat; dairy products; bottled water;

branded flour; branded rice; branded sugar; juices etc. Spirits and Tobacco: An exact product-wise sales break up for each of the items is Difficult

The Indian processed food market is projected to expand to US$ 470 billion by 2025, up from US$ 263 billion in 2019-20.

CONSUMER, CUSTOMER AND BUYER

Consumer

The term “Consumer” more generally refers to anyone engaging in anyof the activities used. It is an old saying that customer is the king because heis the person on whose decision demand of any product or service isDependent. A consumer is a person or organization that uses or consumesEconomic services or commodities.

Customer

The Term “Customer” is typically used to refer to regularly purchases from a particular store or company. An individual, business or otherOrganization that purchases or makes the decision to buy a product or service from a business entity. A customer is the recipient of a good, service, and productor an idea - obtained from a seller, vendor, or supplier via a financialTransaction or exchange for money or some other valuable consideration.

Buyer

The term "buyer" has a specific meaning as a job function. A person whose work is purchasing merchandise for resale; a firm or group that buys another business, product, or service. People in an organization’s buyingcenter who make an actual purchase. A buyer is any person who contracts toacquire an asset or service in return for some form of consideration.

Buying Roles

There are five roles in the buying process. Initiator means one whoSuggests the idea of buying. Influencer means one whose views influence theDecision, Decider means one who decides to buy or not, buyer means one who makes the actual purchase and user means one who is the consumer or uses the product.

Consumer behavior

"Consumer behavior can be defined as the activities and the actions of people and organization that purchase and use economic goods and Services, including the influence on these activities and actions"**-JF Engel**

Consumer Behaviour Decision Making

- Problem recognition
- Information search
- Evaluation of alternatives
- Purchase decision
- Post purchase evaluation

REVIEW OF LITERATURE

- **Ramesh Kumar S and Advani Jai Yashwant (2005)** in their study titled "Factors affecting Brand Loyalty: A study in an emerging market on fast moving consumer goods", concludes Balance of traditional axiomatic views of brand loyalty with the emerging dimensions of brand migration in competitive context so the marketers should work regarding this and it reflects the implications of the study to marketing practice with regard to brand loyalty.

- **Krishna Mohan Sharma, Kunal Bhattacharya and Vandana Sonwaney(2012)** in their study titled "The Study of Changing Buying Behaviour of Consumer in Growing Economy of India, specific to Fast Moving Consumer Goods (FMCG) Segment, and its impact on Unorganized Retailers", concludes that Majority of customers have shifted their partly purchase from un-organized retail (Mom and Pop) to organized retail. But as far as day to day purchase is concern Indian consumers still prefer to buy from unorganized retail outlet in their locality. Unorganized retail provides services from 6am to 11 pm, while organized retail starts from 10 am to 9 pm. This is one of the strength of Indian un-organized retailers. And to compete with organized retail, unorganized retailers have started to give discounts on MRP (Max retail price) and operating on increased turn over to balance their profit.

- **Anupama Dave and Sarika Srivastava (2012) "in** their study titled **"**changing buying behaviour patterns of Indian consumers: A study towards instant food product with special reference to Ahmedabad city" found that consumers are very fond of convenience food like instant coffee and noodles. They consider food and drinks as fun. Their preferences have changed from home-cooked food to fast and ready to ready to serve food. The young consumers are passionate about visiting fast food outlets for fun and change.

- **Pinki Rani (2014)** in her study titled "Factors influencing consumer behaviour", suggests that A purchase decision is the result of each and every one of these factors.

An individual and a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors, etc.. and is influenced by cultural trends as well as his social and societal environment.

- **G Sakthivel and K M Mohamed Hassan (2018)** in their study titled "A study on consumer preference towards selected FMCG Personal care product with special reference to Erode town". Concludes that Most of the companies depend on sales promotion as it is considered to be effective short-term sales tool. Now a day's Sales promotion tools are applied by majority of marketers may it be producers, distributors, middlemen, retailers or non-profit organisations. Today, on an average FMCG companies allocate its 74% of all marketing budget in sales promotion.

Significance of The Study

This study helps to find out consumers buying habits of products that are purchased by the consumers in their day to day life. It also aims at revealing the consumer buying habits in select fast moving consumer goods. This study deals with the urban consumer behaviour and their attitude and hence it is easy to know their favorite product, brand, flavor and place of purchase. The importance of this study in finding consumers preference towards certain products, consumer's problems while purchasing such products and satisfaction level with these products.

Objectives of The Study

- To Study the impact of demographics of FMCG products on buying behavior
- To Study the effect of Pricing and discounts of FMCG products on buying behavior
- To Study the influence of advertising of FMCG products on buying behavior
- To Study the influence of Reference Groups of FMCG products on buying behavior
- To assess factors influencing the consumer in purchasing FMCG products

Hypothesis

1) **Ho**: There is no association between consumer gender category and family type concerning the toothpaste quantity purchased by the consumers in the study region.

   H1: There is association between consumer gender category and family type concerning the toothpaste quantity purchased by the consumers in the study region.

2) **H0**: There is no association between consumer gender category and family type concerning the Bath soap quantity purchased by the consumers in the study region.

   H1: There is association between consumer gender category and family type concerning the Bath soap quantity purchased by the consumers in the study region

3) **H0**: There is no significant difference among the consumer's income and spending on the purchase of FMCG Products in the study region

H1: There is significant difference among the consumer's income and spending on the purchase of FMCG products in the study region.

4) **H0**: There is no influence of advertising of FMCG products on buying behavior among the consumers in the study area

   H1: There is influence of advertising of FMCG products on buying behavior among the consumers in the study area

5) **H0**: There is no relationship between Educational qualification and levels of agreement on problems of purchasing the FMCG Products.

   H1: There is relationship between Educational qualification and levels of agreement on problems of purchasing the FMCG Products.

RESEARCH METHODOLOGY:

- **Primary Data:** This is data which is collected fresh and for the first time and thus it is more authentic and original in nature. Here the respondents are observed and questionnaires were got filled by nearby retail outlets and near big bazaar, Smart Point, More retail outlets and some of them got filled by nearby grocery stores of Vijayapura. Few respondents were given questionnaires and few were asked orally and got it filled by the researchers.
- **Secondary Data**: These are the sources containing data which have been collected and compiled from another sources. It is data that already exist and do not have to be collected by the researcher. This is data which have already been collected by someone else and which have already passed through the statistical process. Various articles which are published in journals, magazines, research papers published in research journals. Websites were also picked up as a major source to provide valuable and important data for research and literature review.

Limitations of The Study

- This study was conducted only with the consumers in Vijaypur district.
- The result of this study mainly depends on the data collected from the consumers and response of the Vijayapur consumers about questionnaire.

- The data collection has been done, based on urban consumer's mindset while they are answering for the question.
- The study has its limitation by choosing only selected fast moving Consumer goods which is the fundamental factor of this research.
- Convenience sampling method particular statistical tools which has been applied has its own limitations.